

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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SHARED TECHNOLOGIES INC.,

Appellant,

– against –

ALLEGIANCE TELECOM LIQUIDATING TRUST;  
XO HOLDINGS, INC., and MERRILL, LYNCH,  
PIERCE, FENNER & SMITH,

Appellees.  
-----X

:  
: Civil Action No. 08-CV-3050 (LAK)  
: (Lead Case)  
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: Civil Action No. 08-CV-3051 (LAK)  
: (Member Case)  
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: On appeal from:  
: Case No. 03-13057 (RDD)  
: (Bankr. S.D.N.Y.)  
:

**RULE 7.1 DISCLOSURE STATEMENT**

Appellee XO Holdings, Inc. ("XO"), by its undersigned attorneys, hereby submits this corporate ownership statement. As of April 30, 2008, more than 50% of XO common stock shares may be deemed to be beneficially owned by Cardiff Holding LLC, which is approximately 98% owned by ACF Industries Holding Corp., a Delaware corporation, which is wholly-owned by Highcrest Investors Corp., a Delaware corporation, which is approximately 99% owned by Buffalo Investors Corp., a New York corporation, which is wholly-owned by Starfire Holding Corporation, a Delaware corporation. XO reserves the right to amend, supplement, or modify this corporate ownership statement.

Dated: New York, New York  
May 2, 2008

**BROWN RUDNICK BERLACK ISRAELS LLP**

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